

MINUTES
GREEN BAY HOUSING AUTHORITY
Thursday, January 21, 2016, 10:30 a.m.
1424 Admiral Court, Second Floor Reading Room
Green Bay, WI 54303

MEMBERS: William VandeCastle – Chair, Chiquitta Cotton, and Brad Hansen

MEMBERS EXCUSED: Sandra Popp, Brenda Goodlet

OTHERS PRESENT: Robyn Hallet, Nikki Gerhard, Ka Vang, Stephanie Schmutzer, Zaland Wardak, Casey Murphy, Jon Sandburg, Teresa VandenHeuval, and Rich Gunwald

APPROVAL OF MINUTES:

1. Approval of the November 19, 2015, minutes of the Green Bay Housing Authority.

A motion was made by the C. Cotton and was seconded by B. Hansen to approve the minutes from the November 19, 2015, meeting. Motion carried.

COMMUNICATIONS:

2. Letter from HUD dated December 7, 2015, regarding results of Scattered Sites REAC appeal.

R. Hallet stated that through the REAC appeal process the Authority's performance score increased from 73 to 82. She added that this increase in points does not affect the overall performance of the PHAS review, as the Authority had already scored at a level of a high performer. She stated that one home had been wrongly deducted points for its air conditioner set in the window. Another property had been wrongly deducted points for a poor storm drainage system; in reality the neighboring property's sub pump had been discharging its contents into the Authority owned property, where it had pooled and flooded the backyard.

N. Gerhard clarified about another property in which the power had been shut off when the inspector arrived at site. For this property no points were awarded back. She explained that this was due to HUD's non-discriminatory policy towards owner or tenant-caused damages. R. Hallet stated that there were several work orders pending for various properties, which in training the staff were told that they would be able to appeal. None of the work orders were pardoned and therefore points were not awarded back for them.

B. Hansen made a motion to approve and place on file the letter from HUD regarding results of Scattered Sites REAC appeal. Motion was seconded by W. VandeCastle. Motion carried.

OLD BUSINESS:

3. Discussion and approval of revised Section 3 Plan.

R. Hallet stated that staff has included the posting of new job openings related to the GBHA into the Section 3 Plan. Staff also contacted a representative at the HUD Milwaukee Field Office to verify the document as within the regulations of HUD. R. Hallet asked the Authority for the approval of the revision to the Section 3 Plan.

A motion was made by W. VandeCastle to approve the revision to the Section 3 Plan. Motion was seconded by B. Hansen. Motion carried.

4. Approval of flat rents for 2016.

R. Hallet reminded the Authority that the flat rents for 2016 were approved at the previous meeting; however, there was a change that necessitated them to bring them for approval again. She stated that historically the proposed Fair Market Rents have always been approved as the final FMRs. This year, however the proposed FMRs were not approved as the final. Rents established by the Authority have to be within 80 percent of the FMRs, thus when the final FMRs were published and found to be different, staff compared to ensure that all flat rents were still within the required range. One unit size, two bedroom Mason Manor units, were approved with the flat rent two dollars too low, therefore the staff is asking the Authority to increase the flat rents for Mason Manor two bedroom units to \$605.

C. Cotton made a motion to approve the increase of the established flat rent for the two bedroom units in Mason Manor to \$605. W. VandeCastle seconded that motion. Motion carried.

NEW BUSINESS:

5. Approval to award three-year GBHA Scattered Site Rental Property Cleaning Services Contract to AMS, Advance Maintenance Solutions.

R. Hallet stated that this bid request was fashioned to be a request for proposals rather than just a list of quotes. Staff wanted cleaning companies to meet several different criteria. R. Hallet stated that these different criteria, as well as prices, were listed in the packet. A sheet she separately handed to the Authority members highlighted the comparison between the Authority's current contracted cleaning company (Service Master Building Maintenance) and the company that scored the highest (Advanced Maintenance Solutions). The Authority would save a significant amount with their switch to AMS. N. Gerhard added that the scoring included points for meeting Section 3 criteria.

C. Cotton made a motion to approve and award the three-year GBHA Scattered Site Rental Property Cleaning Services Contract to AMS. B. Hansen seconded that motion. Motion carried.

6. Review and approval of audited Year End Financials from June 30, 2015.

S. Schmutzer directed the Authority's attention to page six of the Year End Financials. There she explained that the Authority is experiencing a net decrease of Federal funds from the year 2015. This decrease has been partly due to a decrease in about \$25,000 in tenant rents, which is somewhat attributed to the turnover this year. Operating grants

have increased \$10,000; even so, Capital Funds Projects (CFP) has decreased \$100,000. The decrease in CFP spending is due to a decrease in projects completed this year. The expenses for CFP's don't stay as expenses; rather they are moved to fixed assets, therefore increasing the fixed assets account. This makes it seem that the Authority has more revenue, which is because the amount of CFP received this year was more than was expended.

S. Schmutzer also stated that the auditors mentioned that the case load that N. Gerhard handles is too large for one individual. N. Gerhard handles about 400 annual and interim reviews annually. S. Schmutzer happily noted that this is the only suggestion that the auditors had for the Authority.

W. VandeCastle asked for S. Schmutzer opinion for any additional insight into what she has gathered herself from the audit. She stated that she had expected that the Authority would lose revenue for this year. The Authority had a single audit status for the previous year and not for this year, since the Authority did not spend more than \$500,000 in Federal funds. W. VandeCastle asked, based on the results from the audit, if there is any suggestion for a change of course or should the Authority continue to function in the same manner. S. Schmutzer reiterated that the only suggestion from the auditors was the case load for N. Gerhard. Other than that, there were no further concerns posed by the auditors.

B. Hansen made a motion to approve and place on file the Year End Financials from June 30, 2015. W. VandeCastle seconded that motion. Motion carried.

7. Approval to spend reserves on office conversion project.

R. Hallet stated that staff is still waiting for additional information from the architect regarding the estimated costs for the project; therefore, there is not a need for action on this agenda item at this time. The staff has been looking to relocate the main office at Mason Manor to an empty apartment unit on the first floor. Verbal estimates from the architect so far indicate that this project is going to cost more than the staff had anticipated. Staff is still waiting on the final speculations and costs from the architect. In order to find adequate funding to for this project, staff have to find extra funding within their fiscal budget by either shifting funds or reprioritizing current projects.

8. Approval to hire additional administrative office staff.

R. Hallet stated that, as previously discussed, staff is looking into hiring an additional employee to help with the current work load at Mason Manor. Staff has decided to assess the effectiveness of a temporary employee, in order to receive the approval of the City of Green Bay's Personnel Committee. Upon the approval of the committee, staff will be able to extend the temporary employee position into a permanent position. C. Cotton asked how long the temporary position is for. N. Gerhard stated that the timeframe of the temporary position will most likely be determined by the HR department. B. Hansen asked if the temporary situation was for a fulltime or part-time position. R. Hallet stated that the temporary position will be structured for 37.5 hours a week. She further explained that the current office set up does not allow space for an additional staff, which connects this issue to the issue of the office conversion.

B. Hansen asked if there were any ramifications for off-lining an apartment permanently. N. Gerhard stated that staff converted a previously offline model apartment, apartment #312, into an active on-line apartment. This action effectivity makes up for off-lining the apartment on the first floor that would become the new main office. This new main office will be situated in a better position for easier public access and better client interaction.

W. VandeCastle made a motion for the approval of an additional administrative office staff. C. Cotton seconded that motion. Motion carried.

INFORMATIONAL:

9. Review of Public Housing Basics section of Lead the Way training.

The Authority collectively answered four questions from the online Lead the Way training quiz. After answering every question, the group talked about the topics and expanded upon the reasons for the correct answer. B. Hansen asked if every municipality in Wisconsin had an Authority. He also asked if a municipality has to apply through the state to become established. R. Hallet confirmed B. Hansen's second question, stating that each municipality has to apply through their state after the approval of their local government. She also stated that the GBHA was established in 1968 and that other smaller municipalities within the jurisdiction of Brown County were established to cater to their local communities in the absence of a Brown County Housing Authority. R. Hallet alluded to the fact that if the Brown County Housing Authority were created first instead of last, that the number of the individual Authorities would have been smaller or even non-existent.

R. Hallet asked the Authority members if they were satisfied with the Lead the Way training arrangement so far. C. Cotton expressed that she did not mind the group discussions about the training but she did not find it necessary to go through the online materials as a group during the meetings.

FINANCIAL REPORT AND BILLS:

S. Schmutzer expressed an ongoing issue with the Authority's use of heat treatments in efforts to exterminate unwanted specimens from Mason Manor. Staff has learned that either the specimens only fled into other units through the use of the treatment or they had simply acclimated to it. Due to the lack of results from the current method, staff has begun a different kind of treatment called o-zone treatment, which is through the purchase of the GBHA's own o-zone machine. O-zone treatment not only kills the adults of a species but also kills their eggs. In addition to this the o-zone treatment can be used to eradicate unwanted smells trapped in units. The o-zone treatment costs less than the heat treatment, it also takes only 2-4 hours to administer as oppose to a six hour heat treatment.

B. Hansen asked why the Admin salaries amounted to only 27 percent. S. Schmutzer stated that this is because the month of December was not included into the report.

B. Hansen made a motion to approve and place on file the financials for the month of February, 2016. C. Cotton seconded that motion. Motion carried.

In regards to bills, S. Schmutzer stated that the Authority received some back billing from their landscaping contractor Lizer, who had not previously billed the Authority for some services. She added that part of the number under landscaping is due to prebilling in anticipation for the year to come. B. Hansen asked if the Authority purchased drapes. S. Schmutzer stated that the Authority buys the materials themselves before contracting the custom making of the drapes. B. Hansen asked about a payment to an individual named under the title of TRIP Refunds. N. Gerhard stated that this person had filed for bankruptcy in either 2012 or 2013. The Authority used the TRIP program to recollect money owed from this individual from the years 2014 to 2015, which was two years after this individual had filed for bankruptcy. Due to the person's failure to notify the Authority of her bankruptcy, the Authority intercepted the funds through TRIP. The Authority was notified this year of her bankruptcy and was thus required to return the funds back to the individual. Even though her bankruptcy is recognized by the state, federal law states that the individual still owes the Authority the necessary amount. The individual is still not eligible for federal housing assistance.

C. Cotton made a motion to approve and place on file the bills for the month of February, 2016. B. Hansen seconded that motion. Motion carried.

STAFF REPORT:

10. Langan Report for the months of November and December 2015 and Year End 2015 Report.

R. Hallet stated that the Authority is presented with two months of reports due to the fact that there was no meeting the previous month. R. Hallet allowed the Authority members to assess the reports themselves and ask questions if necessary. No questions were asked.

W. VandeCastle made a motion to accept and place on file the Langan Report for the months of November and December 2015 and Year End 2015 Report. B. Hansen seconded that motion. Motion carried.

11. Occupancy Presentation and Report for the months of December 2015 and January 2016.

N. Gerhard stated that the number of applicants on the waiting list for Scattered Sites is growing rapidly, approaching 300. While the overall occupancy rate has been maintained at above 90 percent, there are still a total of 20 vacancies between Mason Manor and the Scattered Sites. W. VandeCastle asked if there was any trend in the number of vacancies. N. Gerhard answered that for the Scattered Sites the majority of the vacancies were due to evictions and for Mason Manor the majority of vacancies were due to the residents moving into medical facilities. R. Hallet asked if any tenants have left due to the newly implemented no-smoking policy and further if new tenants have expressed choosing to rent from GBHA because they are happy with the new policy. N. Gerhard stated that some residents might have initially left due to the new policy but most of the vacancies now, related to the non-smoking policy, are due to evictions related to violation of the policy. She added that resident's contentment towards the new policy is 50/50.

N. Gerhard stated that she has projected, with the help of her staff, that all vacancies will be filled by the month of July of this year. R. Hallet stated that staff is looking into contracting out the cleaning of the units in order to speed up the turnover process by allowing staff to focus solely on maintenance related tasks. N. Gerhard continued the occupancy report with a before and after picture presentation of the vacant properties.

C. Cotton made a motion to approve the Occupancy Presentation and Report for the months of December 2015 and January 2016. W. VandeCastle seconded the motion. Motion carried.

12. Information about discussions at City of Green Bay Finance Committee meetings.

R. Hallet relayed to the Authority that an Alderman of the City had questioned a property in his neighborhood for being tax exempt and had presumed the property to be owned by the GBHA. In the end, the property in question turned out not to be a GBHA property, however N. Gerhard and R. Hallet attended two Finance Committee meetings and put together a lengthy report explaining general information about the GBHA and why its properties were tax exempt under state law. The report further informed the committee about the GBHA's voluntary PILOT payment. W. VandeCastle asked if the voluntary PILOT was based on the amount that the property would have paid in taxes if it was not owned by the GBHA. R. Hallet explained no, but rather the PILOT is based on 10 percent of the rent collected as well as the utility consumption in the properties. This calculation is determined by HUD. This was all explained in the report to the Personnel Committee.

As an additional staff report, R. Hallet stated that there is a Residency Advisory Board meeting coming up, which doubles as a public hearing. This is an annually required meeting under the PHA plan. This meeting is scheduled for March 7, 2016, at 5:00 pm at Mason Manor.

A motion was made by B. Hansen and seconded by C. Cotton to adjourn the meeting. The meeting was adjourned on January 21, 2016, at 11:35 am.

ZW: RAH